## FINANCIAL SECRETARIAT.

**Review of the Administration Report of the Income-tax Department.**

READ—

Letter No. C. 67—29-30, dated the 18th October 1929, from the Commissioner of Income-tax in Mysore, forwarding the report on the administration of the Income-tax Department for the year 1928-29.

ORDER NO. FL. 4129-46—I. T. 24-29-3, DATED 12—13TH DECEMBER 1929.

Recorded.

2. During the year under review one more Income-tax Office was created by the formation of the Mandya Sub-Division with jurisdiction over Mandya and Malvalli Taluks.

3. The following are the more important of the changes made in the Income-tax Regulation and the Rules thereunder:—

(*a*) The provision relating to refunds was amended with a view to include in the "Total income" of any person not resident in Mysore, all income, profits and gains wherever arising, accruing or received, which, if arising, accruing, or received in Mysore would be included in the computation of "total income" under the Law. Any person not resident in Mysore who is neither a subject of His Highness the Maharaja of Mysore nor a British Subject of Indian domicile is disentitled to a refund under the amended Section 48 of the Regulation.

(*b*) Exemption from tax on the income derived from debentures issued by District Boards and Municipalities in the State which carry interest at not more than 6 per cent per annum continued for a further period of two years from 1st July 1928.

(*c*) The annuity payments made under the Scheme of Term Annuities (Income Policies) were exempted from income-tax.

(*d*) The procedural rules regarding registration of firms, depreciation allowance, application for refunds, certificate to be furnished for deduction of tax from dividends, returns of income, demand notice and appeals, were amplified with a view to smoothen the working of the Regulation.

4. *Assessment Work.*—The number of assessments during the year rose to 5,507 from 5,442 in the previous year. The assessees included eighty-two companies and three registered firms.

5. *Demand and Collection.*—There were no material variations in the gross demand under income-tax or super-tax as compared with the previous year.

The net collections under income-tax were better than in the year 1927-28, showing a rise from Rs. 7,00,302 to Rs. 9,32,040. This increase was the result chiefly of only one year's claim for refund under Dominion Tax Relief being adjusted during the year, while in the preceding year the revenue had to meet both arrear and current claims. The balance of income-tax pending recovery at the end of the year was Rs. 77,861. Effective steps should be taken for the prompt recovery of all arrears.

The collection under super-tax was satisfactory, almost the whole net demand having been realised before the end of the year.

The total collections from Mining Companies amounted to Rs. 6,50,379 as against Rs. 7,24,440 in the preceding year. The decrease is attributed to the reduced output of Gold.

6. *Reference to the Chief Court.*—There were six cases for disposal by the Chief Court including the four pending at the end of the previous year. Of the five cases decided, two were wholly in favour of the applicants, two were partly favourable to them and in one the finding was in favour of Government.

7. *Inspection.*—The work of inspection of offices received sufficient attention.

8. It is gratifying to note that there was greater co-operation between the Department and the assessees as shown by the larger number of returns filed by the latter, and by the acceptance by the former of a larger number of the accounts produced by the assessees than in the preceding year.

9. Government are glad to note that the administration of the Department during the year under review was satisfactory.

B. SRINIVASA IYENGAR,
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